

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 ERDA-05 EB-07 COME-00 TRSE-00 OMB-01

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 OES-06 ACDA-07 /085 R

DRAFTED BY DOD/ISA:L.LLOYD

APPROVED BY EUR/CE:LHEICHLER

EUR/CE:SKLINGAMAN

DOD/ISA:MR. MCAULIFFE

DOD/DSAA:GEN. FISH

DOD/USAF/LGPLA:PJAMUSHIAN(INFO)

DOD/DSAA:J.MCNICHOLAS(INFO)

ERDA/PROC:W.NENSTADT(INFO)

DOD/INL:A.AHEARN(INFO)

L/PM:J.MICHEL(INFO)

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P 212005Z MAY 76

FM SECSTATE WASHDC

TO AMEMBASSY BERN PRIORITY

C O N F I D E N T I A L STATE 125281

E.O. 11652: GDS

TAGS: MASS, PFOR, SZ

SUBJECT:MOU AND ERDA/WESTINGHOUSE CONTRACT

REF: STATE 120792

1. AMBASSADOR PROBST CALLED ON ASSISTANT SECRETARY OF
DEFENSE (ISA)MCAULIFFE ON 18 MAY. HE AGAIN STRESSED VIEWS
HE GAVE TO ASSISTANT SECRETARY HARTMAN EMPHASIZING
DOMESTIC POLITICAL IMPORTANCE IN SWITZERLAND AND TO GNAEGI
PERSONALLYTOMAKE RAPID AND SUBSTANTIAL PROGRESS UNDER
F-5E OFFSET MOU (PARA 1 REFTEL). MCAULIFFE ASSURED HIM US
LIVES UP TO ITS WORD AND THAT HE WOULD PERSONALLY LOOK
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INTO FACTS OF ERDA CASE.

2. PROBST SAID THAT THEY DID NOT HAVE THE PRICING FIGURES OR INFLATION INDEXING THAT MADE BBC BID HIGHER THAN GE, BUT WOULD BE GETTING THESE NEXT WEEK IN WESTINGHOUSE DEBRIEFING. HE NOTED THAT BBC HAD ASKED FOR GAO REVIEW OF ERDA AWARD BUT DOUBTED THAT DECISION WOULD BE CHANGED.

3. AMBASSADOR SHOWED MCAULIFFE A LETTER HE HAD JUST RECEIVED INDICATING THAT TWO SWISS BIDDERS, MOTOR COLUMBUS AND KINDLER, WERE STILL IN THE RUNNING FOR CONSTRUCTION CONTRACTS IN SAUDI ARABIA FOR PEACE HAWK 5. (ISA INFORMATION THAT AWARD WAS GOING TO LOWER-BIDDING PAKISTANI FIRM WAS CONFIRMED TO AMBASSADOR IN SUBSEQUENT MEETING WITH GENERAL FISH, DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY. NORTHROP MADE AWARD TO PAKISTANI FIRM ON 14 MAY. HOWEVER, NORTHROP PLANS PROCURE SUBSTANTIAL AMOUNT OF EQUIPMENT FOR PEACE HAWK PROJECT FROM SWISS INDUSTRY. PROBST WAS PLEASED AND ASKED THAT WE INFORM HIM WHEN DETAILS ARE KNOWN.)

4. IN RESPONSE TO AMBASSADOR PROBST'S REQUEST TO MEET PERSONALLY WITH SECRETARY RUMSFELD IN COMPLIANCE WITH HIS EXPLICIT INSTRUCTIONS FROM SWISS PRESIDENT, MCAULIFFE SAID HE WOULD -- AFTER HAVING EXAMINED THE QUESTION -- RECOMMEND THAT SECDEF RECEIVE PROBST TO MAKE FORMAL REPLY TO SWISS AID MEMOIRE. HOWEVER, IF SECDEF'S BUSY SCHEDULE WERE TO DELAY PROMPT US REPLY, HE WOULD TRY TO ARRANGE MEETING WITH DEPSECDEF CLEMENTS OR ELLSWORTH. AMBASSADOR EXPRESSED APPRECIATION FOR MCAULIFFE'S HELP AND REITERATED HIS HOPE THAT HE COULD SEE SECDEF RUMSFELD IN PERSON EVEN FOR VERY BRIEF MEETING. ROBINSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFLATION, CONTRACTS, PROPOSALS (BID), OFFSET PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE125281
Document Source: CORE
Document Unique ID: 00
Drafter: L.LLOYD
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760198-0468
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760527/aaaaawsd.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 120792
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2004 by greeneet>; APPROVED <23 SEP 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OU AND ERDA/WESTINGHOUSE CONTRACT
TAGS: MASS, PFOR, SZ, US, WESTINGHOUSE, ERDA
To: BERN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006